

September 17, 2018

VIA ELECTRONIC FILING

Ms. Jocelyn Boyd
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Re: Filing of RSA Quarterly Monitoring Report
Docket No. 2018-7-G

Dear Ms. Boyd:

Pursuant to Section 58-5-430 of the South Carolina Natural Gas Rate Stabilization Act (“RSA”), enclosed is the RSA quarterly monitoring report of Piedmont Natural Gas Company, Inc. for the twelve-month period ending June 30, 2018.

If you have any questions about this report, please do not hesitate to contact me at 704-731-4259.

Sincerely,

/s/ Pia Powers

Pia Powers

Director – Gas Rates and Regulatory Affairs

Enclosures

cc: Jeff Nelson
Bruce Barkley
Brian Heslin

Net Operating Income and Rate of Return
For The Twelve Months Ended June 30, 2018
South Carolina
Page 1 of 2

	(1)	(2)	(3)
	<u>Per Filing</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 164,519,051	\$ (6,204,669)	\$ 158,314,382
Other Operating Revenues	721,292	-	721,292
Total Operating Revenue	<u>\$ 165,240,343</u>	<u>\$ (6,204,669)</u>	<u>\$ 159,035,674</u>
Operating Expenses			
Cost of Gas (COG)	\$ 73,465,867	\$ (7,790,992)	\$ 65,674,875
Other Operation & Maintenance	30,235,499	(78,609)	30,156,890
Depreciation	13,620,352	1,249,890	14,870,242
General Taxes	6,199,450	734,259	6,933,709
State Income Taxes	(577,217)	2,272,649	1,695,432
Federal Income Taxes	9,391,930	1,882,689	11,274,619
Amort. of ITC	(17,856)	-	(17,856)
Total Operating Expenses	<u>\$ 132,318,026</u>	<u>\$ (1,730,114)</u>	<u>\$ 130,587,911</u>
Net Operating Income	\$ 32,922,317	\$ (4,474,554)	\$ 28,447,763
Interest on Customer Deposits	(76,205)	-	(76,205)
Amortization of Debt Redemption Premium	-	-	-
AFUDC	348,016	-	348,016
Customer Growth	253,502	(34,454)	\$219,048
Net Operating Income For Return	<u>\$ 33,447,630</u>	<u>\$ (4,509,008)</u>	<u>\$ 28,938,622</u>
Original Cost Rate Base			
Plant in Service	\$ 630,189,856	\$ -	\$ 630,189,856
Accumulated Depreciation	(235,611,618)	-	(235,611,618)
Net Plant in Service	\$ 394,578,238	\$ -	\$ 394,578,238
Add:			
Construction Work in Progress	35,721,599	-	35,721,599
Materials and Supplies	7,126,558	-	7,126,558
Cash Working Capital	4,006,852	(120,987)	3,885,865
Deduct:			
Customer Advances for Construction	-	-	-
Customer Deposits	2,208,234	-	2,208,234
Accumulated Deferred Income Taxes	85,282,512	-	85,282,512
Unclaimed Funds	131,648	-	131,648
Total Original Cost Rate Base	<u>\$ 353,810,853</u>	<u>\$ (120,987)</u>	<u>\$ 353,689,866</u>
Return on rate base	<u>9.45%</u>		<u>8.18%</u>

Net Operating Income and Rate of Return
 For The Twelve Months Ended June 30, 2018
 South Carolina
 Page 2 of 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			After Accounting and Proforma Adjustments (No Tax Act)						
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Settlement Capitalization	Calculated Ratio %	Pro Forma Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	\$ 1,783,449,291	-	\$ 1,783,449,291	46.35%	47.00%	\$ 166,234,237	4.67%	2.19%	\$ 7,763,139
2. Common Equity	2,064,117,124	-	2,064,117,124	53.65%	53.00%	187,455,629	11.30%	5.99%	21,175,483
3. Total	<u>\$ 3,847,566,415</u>	<u>\$ -</u>	<u>\$ 3,847,566,415</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$ 353,689,866</u>		<u>8.18%</u>	<u>\$ 28,938,622</u>

CERTIFICATION

I, Lynn J. Good, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Lynn J. Good
Chairman, President and CEO



Date Signed

Subscribed and Sworn to before me this
7th day of September, 2018.



Notary Public

My Commission Expires 11/16/22.



CERTIFICATION

I, Steven K. Young, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

Steven K. Young
Steven K. Young
Executive Vice President and CFO

9/7/18
Date Signed

Subscribed and Sworn to before me this
7th day of September, 2018.

Amy E. Livezey
Notary Public

My Commission Expires 11/16/22.



CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached *Quarterly Monitoring Report* is being served this date via email and UPS Overnight upon:

Jeffrey M. Nelson
Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, South Carolina 29201
jnelson@regstaff.sc.gov

And that a copy of the attached *Quarterly Monitoring Report* is being served this date via email or U.S. Mail upon:

Bruce Barkley
Vice President
Regulatory and Community Relations
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
bruce.barkley@duke-energy.com

and

Brian Heslin
Duke Energy Corporation
550 S. Tryon Street
Mail Code: DEC45A
Charlotte, NC 28202
brian.heslin@duke-energy.com

This the 17th day of September, 2018.

/s/ Alyssa C. Small
Alyssa C. Small